

# Annual Notice Concerning Federal Laws and Acts USA Choice Plan and USA Select Plan Benefit Year 2024

The University of South Alabama is pleased to provide its employees and their dependents with quality health and dental plans at an affordable cost to all employees.

This notice provides important information about federal laws and acts that affect your coverage. It also includes information about the policies and procedures of your Plan. You should read this notice carefully and keep it with your important papers.

This notice, along with your Summary Plan Description, will assist you in understanding your rights under the Plan and your responsibilities to the Plan.

## WHAT YOU SHOULD KNOW ABOUT YOUR EMPLOYER-PROVIDED HEALTH INSURANCE & HEALTH CARE REFORM

The Affordable Care Act (ACA) provides individuals with a new way to compare and purchase health insurance through the Health Insurance Marketplace. Information about the Marketplace was provided to all employees via mail in a notice titled, "New Health Insurance Marketplace Coverage Options & Your Health Coverage." You may view this notice on the benefits page of the Human Resources web site at [www.southalabama.edu/hr/](http://www.southalabama.edu/hr/) or request a copy by contacting the USA Human Resources department.

You should understand the following important information about your employer-provided health coverage as it relates to health care reform:

1. The Plans provide "minimum essential coverage" as required by the Affordable Care Act.
2. The Plans meet the "minimum value" standard established by the Affordable Care Act. This standard is met when the health plan's share of the total allowed benefit costs covered by the plan is no less than 60% of such costs.
3. The Plans have employee cost-sharing rates which are intended to meet the "affordable" standard under the Affordable Care Act. This means that the employee cost for single coverage under the Plans is intended to be no more than 9.86% of the employee's household income (based on the employee's W-2 income).
4. The Employer offers health coverage to full-time employees working at least 30 hours of service a week or 130 hours of service a month on average.

## SECTION 125 PREMIUM CONVERSION PLAN

The Section 125 Premium Conversion Plan allows you to pay your employee contribution for the USA Plans with pre-tax dollars through salary reduction rather than regular pay. The employee contribution is deducted from your paycheck before taxes are withheld. This allows you to increase your spendable income by reducing your taxes (your Social Security retirement benefit may be slightly reduced). All eligible employees are automatically enrolled in the Section 125 Premium Conversion Plan. You may change your election for pre-tax premiums during the Open Enrollment period held in November, or during the Plan year if you incur a change-in-status event.

When used in this notice, the term "Plan" refers to the USA Choice Plan and USA Select Plan. The term "Member" refers to benefits-eligible employees and their dependents, unless otherwise noted. The term "Employer" refers to the University of South Alabama (USA), the USA University Hospital, the USA Children's & Women's Hospital, USA Mitchell Cancer Institute, USA Health Providence Hospital, the USA HealthCare Management, LLC (HCM), and USA Health Care Authority.

## AVAILABILITY OF SUMMARY HEALTH INFORMATION

As an employee of the University of South Alabama, the health benefits available to you represent a significant component of your compensation package. These health benefits also provide important protection for you and your family in cases of illnesses or injuries. To assist you in understanding your health coverage, the USA Plans make available a Summary of Benefits and Coverage (SBC). The SBC summarizes important information about your health coverage in a standard format. The SBC and the Summary Plan Description are available on the web at [www.southalabama.edu/hr/](http://www.southalabama.edu/hr/).

A paper copy is also available, free of charge, by contacting the Human Resources department.

## IMPORTANT NOTICE FOR SUMMARY PLAN DESCRIPTION

You should read the Summary Plan Description and share it with your dependents. This booklet provides valuable information about your responsibility under the Plan, eligibility, benefits, and your rights as a participant, including the right to appeal the denial of a benefit. If you do not have a copy of this booklet, you should contact the Human Resources department and one will be sent to you free of charge. The Summary Plan Description is also available online at [www.southalabama.edu/departments/financialaffairs/hr/benefits.html](http://www.southalabama.edu/departments/financialaffairs/hr/benefits.html).

## PRIVACY NOTICE

The USA Plans and its associates, like Blue Cross Blue Shield of Alabama, HealthEquity, Inc., and Prime Therapeutics, adhere to and comply with the Privacy Act. The Plan and its associates have adopted practices and procedures to protect the privacy of your medical information. The Plan's privacy policy in its entirety is available from the Human Resources department and is included in your Summary Plan Description.

## PATIENT PROTECTION

The Plans do not restrict coverage to any specific physician and the individual may designate any primary care, pediatrician, obstetric, gynecological, or specialty care provider in the network.

A list of covered physicians, hospitals, and other medical providers may be obtained from Blue Cross Blue Shield of Alabama and is provided at its website: [www.bcbosal.org](http://www.bcbosal.org) or USA Health at its web site: [www.usahealth.com](http://www.usahealth.com).

## NOTICE OF THE PLAN'S OPT-OUT OF SOME FEDERAL REGULATIONS

The USA Choice & USA Select Plans have elected to opt-out of certain federal regulations including: the Health Insurance Portability & Accountability Act of 1996 (HIPAA), as amended by the Patient Protection and Affordable Care Act (PPACA); the Newborns' and Mothers' Health Protection Act of 1996 (NMHPA); and Michelle's Law (2008). The Plans comply with the HIPAA provisions for special enrollment rules and discrimination based on health status rules.

### **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA):**

Many of the provisions of HIPAA do not apply to the Plan, or the Plan is already in compliance with these provisions. For example, HIPAA requires a special enrollment period for employees who incur a change-in-status event concerning eligibility of family members. This benefit has always been offered under the Plan. HIPAA prohibits group health plans from discriminating against employees on the basis of health status. The Plan has never imposed discriminatory rules.

### **NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT (NMHPA):**

The NMHPA establishes minimum inpatient hospital stays for newborns and mothers following delivery, based on medical necessity. The Plan has never imposed limitations regarding the length of an inpatient hospital stay following delivery. The Plan's decision to opt-out of NMHPA will have no effect on current or new employees.

### **MICHELLE'S LAW (2008):**

Michelle's Law provides that a group health plan may not terminate coverage of a full-time student due to a medically necessary leave of absence. The ACA requires coverage of a dependent to extend to age 26 regardless of full-time student status. The USA Plans comply with the ACA and extends coverage to all dependent children to age 26 regardless of student status.

## NOTICE OF A SPECIAL ENROLLMENT PERIOD FOR A CHANGE-IN-STATUS EVENT

If you or any of your family members declined coverage in the Plan when first eligible for coverage (or during the annual Open Enrollment Period), you may enroll in the Plan or enroll your eligible dependents when certain events cause a change-in-status event. Some change-in-status events result in termination of coverage for a dependent. To make an enrollment change due to a change-in-status event, you must contact the Human Resources department within 30 days (unless otherwise noted) of the event. Change-in-status events include:

1. A change in your marital status (marriage, divorce, or death of your spouse).
2. A change in the number of your dependents (birth or adoption of a child, death of a child, obtaining legal custody of a child, or obtaining legal guardianship of a child by court action).
3. A change in your employment status (starting/ending employment, changing from part-time to full-time or vice versa, taking or returning from an approved leave).
4. A change in your spouse's employment status (starting/ending employment, changing from part-time to full-time or vice versa, a strike or lockout, or your spouse taking or returning from an unpaid leave or leave under the Family and Medical Leave Act or USERRA).
5. Exhaustion of your coverage period under a previous employer's COBRA continuation.
6. A significant change in the costs of or coverage provided by your spouse's employer-sponsored health plan.
7. A significant change in the costs of or coverage provided by this Plan.
8. A change in the eligibility status of a dependent child, such as the child reaching age 26, the maximum age for coverage under the Plan.
9. An end to the disability of a disabled child enrolled as your dependent under the Plan.
10. A change in your residence or work site, or that of a spouse or dependent, which affects ability to access benefits under this or another employer-sponsored health plan.
11. A required change due to a court order.
12. You or your dependent(s) becoming entitled to Medicare or Medicaid.
13. You or your dependent(s) lose coverage under Medicaid or a State Children's Health Insurance Plan (SCHIP) because of loss of eligibility. Enrollment request must be made within 60 days of the termination of coverage.
14. You or your dependent(s) become eligible for premium assistance under Medicaid or SCHIP. Enrollment request must be made within 60 days of becoming eligible for the premium assistance.